Boards and Generating Companies to agree on improved norms

* Premium raised by the Generating Company while issuing share capital and investment of internal resources created out of free reserve of existing company shall also be eligible for return of equity provided such amount is actually utilised for meeting the capital expenditure of the power generation project and forms part of the financial package approved by the Authority.
* The tariff norms for Hydro-electric projects have been liberalised such as providing Capacity charge, Primary Energy Charge, incentive of upto 0.7% rise in ROE for each percentage point increase in availability of installed capacity beyond 90%

The specific incentives for Licensees are:

* Licences of longer duration of 30 years in the first instance and subsequent renewals of 20 years instead of 20 and 10 years respectively as it was before.
* Higher rate of return of 5% in place of the previous 2% above the RBI rate.
* Capitalisation of Interest During Construction (DC) at actual cost (for expansion projects also) as against 1% over RBI rate as it was before.
* Special appropriations to meet debt redemption obligations.

Assistance Provided by IDBI

134. SHRI DILIP SINGH JUDEV: Will the Minister of FINANCE be pleased to state:

(a) whether Industrial Development Bank of India has provided assistance to large and joint industrial houses;

(b) if so, names of the industrial houses, details of assistance provided during the last five years, year-wise, company-wise;

(c) whether it is a fact that this amount has been released for various new projects of such companies in an unequitable manner;

(d) if so, what are the reasons therefor; and

(e) the terms and conditions laid down by IDBI in this context.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL): (a) Yes, Sir.

(b) The details of assistance sanctioned by the Industrial Development Bank of India (IDBI) to top 10 Industrial groups, in terms of sanctions of IDBI, under its direct finance schemes during the last five years are given below:

(Rs. crores)

Year	Amount sanctioned
1990-91	837.7
1991-92	1056.0
1992-93	2118.8
1993-94	2589.1
1994-95	4485.1

However, in accordance with the practices and usages customary amongst banks and in conformity with provisions of statutes governing public sector banks and financial institutions as also the provisions of Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983, the information relating to individual constituents cannot be divulged.

(c) No Sir, IDBI has reported that it ensures that the funds disbursed are utilised by units for the purpose for which assistance is sanctioned. For this purpose, IDBI obtains auditors certificate for expenditure and sources of funds. Further, officials associated with the Project Implementation Committee scrutinise the expenditure incurred and finally project completion reports detailing expenditures and means of financing are called for and scrutinised.

(d) Does not arise.

(e) IDBI stipulates general conditions which are common in all cases Special conditions are stipulated on case-to-case basis where it is felt that certain areas require special attention/conditions to implement and run the projects successfully, e.g. strengthening of management, performance guarantee by machinery suppliers, collaborators etc.

Formation of new company for construction of Satellite Air Cargo City

135. SHRI KANAKSINH MOHANSINH MANGROLA: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether it is a fact that a new company has been formed to construct satellite air cargo city near Calcutta, Madras and Ahmedabad international airports;

(b) if so, what are the names of the constituents of the company; and

(c) what is the estimated cost involved?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) No, Sir.

(b) and (c) Do not arise.

Export of Cotton Bales to Romania

136. SHRI GHUFRAN AZAM: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have recently taken a decision to export 18000 cotton bales to Romania;

(b) if so, the reasons therefor and justification thereof;

(c) whether such a decision of Government is going to affect adversely indigenous price of cotton;

(d) whether handlooms and powerlooms in the country would also be affected at large; and

(e) if so, the reaction of Government in this regard?

THE MINISTER OF STATE FOR TEXTILES (SHRI KAMAL NATH): (a) and (b) The Government of India released an export quota of 18000 cotton bales to Romania in June, 1995 under the Rupee Payment Agreement. The quota was released after confirming the availability of cotton for fulfilling domestic demand and the declining trend of cotton prices in the domestic market.

Under the Bilateral Protocol with Romania, India has been permitting export of cotton in the past also and Romania has been depending on the supplies. Thus, the export quota of cotton was released to Romania after careful consideration of all of the above factors.

(c) and (d) No, Sir.

(e) Does not arise.

Adoption of 4-Pronged Strategy to Boost Tourism

137. SHRI RAHASBIHARI BARIK: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether Government have a proposal to adopt 4-pronged strategy to give boost to tourism in the country;

(b) whether the State Governments are being involved in implementation of this strategy;

(c) if so, the reaction of the State Governments thereto;

(d) the assistance proposed to be extended to the State Governments for the purpose; and

(e) the details thereof?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) to (c) Strategy for development of tourism in the country consists of infrastructural development, publicity and promotion, human resource development and marketing and research. The State Governments are involved in the implementation of this strategy.